

## Fee for Service Rate Methodology Workgroup

### MEETING NOTES

---

**Date:** January 16, 2007 (Tuesday)

**Time:** 1:00 p.m. – 3:00 p.m.

**Where:** Capitol Common - Conference Room E  
400 S. Pine  
Lansing, MI 48933

**Attendees:** Lynn Borck, Michael DeVault, Bruce Elkins, Toni Hornberger, Ed Kemp, Tom Koepke, Terry Latimer, Robert LeFevre, Maryann Lorkowski, Kathy Merry, Pam O'Farrell, Liz Patrick, Susan Powell, Jane Reagan, Michelle Simmons, Linda Sowle, Dave Stirdivant, Toni Sturgis

**Handouts:** Examples of Parental Consent Letters and Consent Forms

Highlighted areas are tasks to be completed prior to next meeting.

---

#### SE-4096 Update

- Superintendent Siegel has not had a chance to meet with Department of Education staff regarding the SE-4096 as of yet
- Hopefully a meeting will be scheduled in the near future
- Jane will follow up on this issue
- The cost report and instructions will have to be completed prior to April

#### State Plan Amendment Status and Recap

- 3/2004 – State plan amendment (SPA) submitted to add LPN services to our current nursing coverage
- 12/2004 – Request for Additional Information (RAI) withdrawn, putting the SPA process on hold
- 10/2005 – CMS/CO informed the State that after over a year working on a cost-based fee screen, that this methodology would not be acceptable and that an aggregate cost based methodology would have to be developed
- 11/2005 – 1<sup>st</sup> methodology draft sent to CMS
- 2/2006 – Clarification document sent to CMS
- 6/2006 – Further clarification sent to CMS along with draft Transportation methodology proposal
- 6/2006 – Request for provider equivalency ruling sent to the Michigan Attorney General
- 8/2006 – Response from Michigan Attorney General stating that an equivalency ruling would not be done by the AGs office. There was no legal licensure issue at hand and the AG did not feel that it was within their professional scope to do provider qualification reviews. CMS will accept the equivalency only from the AG so the providers not defined in federal regulation will no longer be able to bill for Medicaid covered services.
- 1/2007 – First Fee For Service Random Moment Time Study

#### Decisions to Date

- Claims must be processed through the Invoice Processing system (MMIS)
  - MDCH has ask that this requirement be reviewed after one year
- Teacher consultants will no longer be able to bill on the Fee For Service side of the program unless under the supervision of a qualified provider
- The State plan amendment will be submitted for formal review, no more informal drafts will be submitted to CMS

## Fee for Service Rate Methodology Work Group Meeting Notes

January 16, 2006

Page 2 of 3

---

- For the purpose of verification of the statistical validity of the Fee For Service Random Moment Time study, Dr. Robert Lovell has been contracted with and will speak directly with the CMS statistician, Narinder Singh
- Only Michelle from PCG will continue to attend the FFS workgroup meetings
- Coverage for School-based services for Medicaid beneficiaries 0 to 21 will be moved under the "EPSDT" section of the State Plan.
- Assistive Technology Devise Specialists will no longer be a qualified provider for Medicaid School-based services
- SE-4094
  - Transportation costs must be based on a one-way trip methodology
  - Costs disallowed for cost calculation:
    - Line 3 (Secretarial/Clerical) costs will not be allowed
    - Line 5 (Other Support) costs will not be allowed
    - Lines 8 through 11 will not be allowed
      - Local expenses
      - Telephone/postage
      - Other Utilities
      - Non-vehicle purchased services
- SE-4096
  - Column 5 - "Purchased Services"
    - Object codes 3130 (Pupil Services) and 3190 (Other Professional and technical Services)
      - Only the cost associated with contractual medical practitioners and the medically related technical services would be allowed
    - Object code 3610 (Printing and Binding) will not be allowed
    - Object Codes 4120 (Equipment repair) & 4220 (Equipment rental)
      - Only medical equipment expense will be allowed for both
  - Column 6 - "Supplies and Materials"
    - Object code 5110 (Teaching and Testing Supplies and Materials) will not be allowed
    - For object code 5410 (Periodicals) - only the cost of medical or clinical periodicals will be allowed
  - Column 8 - "Other Expend."
    - Object code 7410 (Dues and Fees) will be for Professional fees and licensures only
    - Object code 7910 (Miscellaneous Expenditures) will be removed from the calculation
  - Costs are disallowed for cost calculation steps 5 through 8:
    - Direct administrative
    - Building and fixtures depreciation
    - Major moveable equipment depreciation
    - Interest on long term debt

### SE-4096 Issues

- The process flow for the SE-4096/4094 as the ISDs understand it is as follows:
  - The Local Educational Agencies (LEAs) will complete the cost reports
  - The cost reports will be sent to Michigan Department of Education (MDE)
  - MDE will review and process any corrections/adjustments
  - Cost reports will be sent to MDCH where the data will be entered into the Medicaid Cost Settlement format where the RMTS %, the MER, the General Administrative % and the ICR are applied by LEA and summarized by ISD
  - MDCH will forward the completed ISD cost certification forms to the ISD contacts for signature
  - MDCH will complete the cost reconciliation and process any over/under cost settlements

## **Fee for Service Rate Methodology Work Group Meeting Notes**

January 16, 2006

Page 3 of 3

---

### **Deficit Reduction Act**

- Will be discussed in detail at the February 20th meeting
- The False Claims Act will impact any ISD that receives over \$5 million annually in Medicaid payments
- For those ISDs that do receive over \$5 million there must be provider education in place regarding the False Claims Act and the Whistleblowers Act

### **Open Issues**

- Parental Consent
- Deficit Reduction Act
- SE-4096 Finalization and Instructions
- ISD Interim Payment Projections

### **Next Meetings:**

- February 20, 2007 1:00-3:00
- March 20, 2007 1:00-3:00
- April 24, 2007 1:00-3:00
- May 15, 2007 1:00-3:00
- June 19, 2007 1:00-3:00
- July 24, 2007 1:00-3:00
- August 21, 2007 1:00-3:00